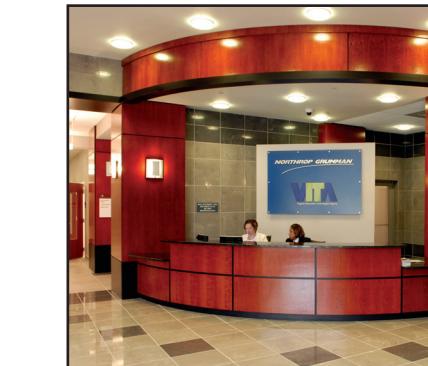




**Case Study: IT Infrastructure Partnership
Virginia Information Technologies Agency**

VITA



Together, the Commonwealth of Virginia and Northrop Grumman are working to provide a reliable and secure information technology environment for more than 80 state agencies, which collectively manage 68,000 computer users. The 10-year, \$2 billion partnership is delivering a more resilient and transformed technology infrastructure for Virginia state government, the first and largest program of its kind in the country.

The transformation is made possible through a \$270 million upfront investment by Northrop Grumman. The Commonwealth's technology environment is being modernized from the new computers agency employees use to the cutting-edge data centers that Northrop Grumman recently built. The Partnership also is stimulating economically challenged areas of Southwest Virginia by creating high-technology jobs. In total, the partnership is expected to bring more than \$38 million in economic benefits to the Commonwealth.

The Path to an Innovative Partnership

Virginia state government is a \$34 billion per year business, the equivalent of a Fortune 50 company. However, the state's aging information technology (IT) infrastructure would have collapsed due to inadequate security and back-up, and a lack of capabilities.

Prior to 2003, each Virginia state agency managed its own IT infrastructure – a hodge-podge of technology, some modern, others extremely outdated. Overlapping, often redundant systems with varying levels of security protection and no comprehensive

capability to detect and proactively react to the increasing threats of cyber attacks left the Commonwealth vulnerable and inefficient.

In 2003, the Virginia General Assembly created the Virginia Information Technologies Agency (VITA). A unique concept in itself, VITA is essentially the IT departments of all executive branch agencies. VITA is charged with consolidating and centralizing technology information for the state and helps agencies deliver quality services to citizens, businesses, and local governments.

Upon looking under the hood of the state's IT systems, it was clear to VITA that private sector resources were needed for the program to be truly successful. In fact, 80 percent of agencies had inadequate security, and in some agencies, the hardware lacked regular maintenance, virus software was virtually useless, desktops and servers were more than a decade old.

Northrop Grumman – The Partner of Choice

The Commonwealth chose Northrop Grumman based on four key reasons: the ability to transform a statewide IT infrastructure; strong commitment to job growth in economically distressed areas of Southwest Virginia; attractive employment options for government employees; and an innovative funding model.

Following support and approval by the legislature and former Governor Mark Warner, VITA entered into a partnership with Northrop Grumman, setting the stage for significant technology. The three-year transformation process began July 1, 2006. Under the supervision of VITA, Northrop Grumman became responsible for transformation of and service delivery for the state's technology infrastructure and related services.



www.it.northropgrumman.com/ITSolutions
State&Local@ngc.com
1-877-452-2757

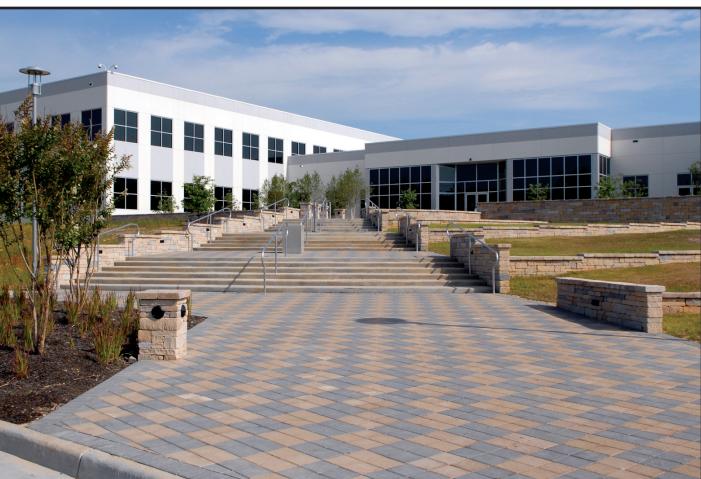
Northrop Grumman, 15010 Conference Center Drive, Chantilly, VA 20151, 571-313-2000
Northrop Grumman, 7575 Colshire Drive, McLean, VA 22102, 703-556-1000

© 2008 Northrop Grumman Corporation

CSL 0308-0046

Career Opportunities

As part of this public-private partnership, approximately 850 VITA employees were given the choice to work directly for Northrop Grumman, or to remain with the state under technical direction from Northrop Grumman. Approximately 560, or 67 percent of eligible VITA employees, transitioned to Northrop Grumman, which opens opportunities to grow and advance in the IT field beyond state government.



Partnering with Northrop Grumman to Provide Top-Quality Technology, Services and Solutions

Once transformation of the state's IT systems are complete in 2009, agencies will have equal access to top-quality technology, services and solutions at predictable prices. State agencies will benefit from bolstered security, a reliable technology infrastructure and consistent and modern technology products with regular maintenance, scheduled desktop replacements, and centralized service.

Core to this partnership are two new facilities: The Commonwealth Enterprise Solutions Center (CESC) in Chesterfield, VA and the Southwest Enterprise Solutions Center (SWESC) in Lebanon, VA. These centers—representing nearly \$80 million in investments

from Northrop Grumman—consolidate Virginia's government data centers spread across more than 100 locations and provide the most up-to-date security, fire protection and backup power.

Other services include:

- New desktops – Replace or refresh 68,000 computers.
- Centralized help desk - Provide a single point of contact for service.
- Global messaging services - Move all agencies to a single, enterprise-wide e-mail system.
- Mainframe and servers – Provide new mainframes, consolidate servers and locate them in a secure location for monitoring and maintenance.
- Better security -- Provide a secure Internet gateway, enterprise security operations center and computer security incident response center.
- Reliable network, voice and video – Provide state-wide area network and upgrades to area network local switches/routers as needed.

Meeting the Challenge of Change Head-On

Similar to building a superhighway in the middle of heavy traffic, Northrop Grumman is building a modern IT infrastructure in the middle of heavy computer traffic, while at the same time maintaining current operations for 68,000 state agency computer users. Managing change and minimizing disruptions that come with transformation are extraordinary challenges.

Minimizing disruptions while continuing to deliver services is paramount. Behind the scenes, careful planning, change management, strategic communications, training, collaboration, testing, pilot roll-outs and back-up plans are among the many tasks required to manage transformation. The Partnership provides the organizational structure, experienced leadership, expertise, resources and tools to help mitigate the impacts of change.

CENTRALIZED MANAGEMENT AND OPERATIONS CENTER



Setting the Bar High on Accountability

Delivering high-quality customer service is the heart of the Partnership's mission. Service will be measured based on recognized industry standards. The VITA-Northrop Grumman agreement contains 177 service performance measures with a penalty structure if measures are not attained. The agreement also contains provisions requiring continuous improvement in service levels over the term of the contract.

Bringing High-Tech Jobs to Rural Areas

With the opening of the Southwest Enterprise Solutions Center, Northrop Grumman expects to create 400 new local jobs with many ancillary business and job opportunities in southwestern Virginia. Northrop Grumman is able to stimulate the local economy in Russell County by offering professional positions along with improved quality of life.

Realizing Benefits Beyond State Agencies

Currently the Partnership serves state agencies, but local government entities and higher education institutions throughout the Commonwealth can gain access to new technology and its benefits. The Partnership is a viable procurement option, with governments and schools having the choice to use technology, services and solutions that are the right fit for them.

When Our Customers Need Trusted IT Solutions, We're There

Northrop Grumman's Information Technology sector is a leading IT provider and integrator, with annual revenues of \$4.5 billion. For more than five decades, our trusted IT solutions have enhanced the work of government and enterprise customers – and improved the lives of the people they serve. Delivering full life-cycle solutions, we meet the mission, enterprise, and infrastructure needs of federal, civilian, defense, intelligence, state and local government, commercial, and international clients. State and local governments trust us to provide end-to-end solutions for information technology, integrated justice, homeland security, public safety, transportation, human services, and public health initiatives.

